

Urban water utilities show progress...

All the utilities surveyed recognise that the need and capabilities of poor people in urban areas are distinct and have expressed a commitment (91%) to serve them, but only half have a pro-poor strategy or pro-poor focused service team.

91% of utilities provide different connection options for different users. However, poorer households simply cannot afford these water connections as it costs on average 37% of the annual income of a person earning \$1.25 a day to get connected (see Figure 2).

...but need more focus

In several cities (see Figure 3), the poor are often paying twice as much per litre at a utility water kiosk as higher income users with household connections. Only one in three utilities allow flexible payments terms for new connection fees and only one in two allow people to pay their water bills in a more frequent manner, similar to the 'per bucket' methods that are fit-for-customer.

More utilities need to:

- Develop a clear and robust pro-poor strategy, conduct baseline studies, set time-bound targets for serving the unserved and establish specific teams to implement plans for serving poor areas.
- Implement connection subsidies to enable poor people to gain access and benefit from social tariffs.
- Make their billing policy more customer- and pro-poor friendly and engage civil society in tariff-setting structures.

WaterAid, WSUP and WOP-Africa are calling for the following:

- **Governments and utilities in Africa and donors** should recognise that serving low income urban consumers is not only feasible but can also be achieved in a way that benefits a country's national development effort.
- **Governments and utilities** should reach consumers of all income levels by leading a reform programme that targets all consumers, particularly poor and marginalised people; subsidises connections; and provides decentralised governments and utilities with the fiscal autonomy to plan, raise and govern finances.
- **Utilities are urged to institutionalise service delivery to the poor** through deliberate and specific strategies and funding mechanisms targeted at serving the informal settlements. Utilities must take leadership of service delivery to informal settlements and enter into performance contract agreements with national/local authorities which clearly reflect the pro-poor policy and strategy to be implemented.
- **Donors and international financial institutions** should develop the capacity to respond to the urban challenge; ensure that aid for urban services targets all consumers including poor people; and incentivises governments and utilities that commit to building the improved technical and managerial capacity to provide equitable water services for all.

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1. <http://web.mit.edu/urbanupgrading/upgrading/case-examples/overview-africa/regional-overview.html>
 2. Based on UNICEF / WHO JMP, 2008
 3. Based on UNICEF / WHO JMP, 2008
 4. A full discussion of these key features can be found in: WaterAid (2010) Water utilities that work for poor people

Serving the urban poor

African water utilities show progress but need more focus

By 2020, at current rates of growth, half of the African urban population will be living in informal settlements in chronic water and sanitation poverty.¹

There is an untapped market for potable water in poorer urban areas of Africa estimated to be 192 million people.² 65% of urban residents in Sub-Saharan Africa are already paying for water at exorbitant prices. But they remain unconnected to the network.³ Urban water and sanitation services tend to privilege wealthier areas. Policy makers, sector regulators and utility managers struggle with the institutionalised perception that poorer households are not viable customers.

Owned by the Africa Water Association (AfWA), the Water Operators Partnership (WOP)-Africa programme seeks to inspire African utilities to mainstream and improve equitable water supply and sanitation (WSS) services.

This paper supports AfWA's Scientific and Technical Committee's work on equitable improvement in WSS services. It is released to coincide with the 15th AfWA International Water Congress and to stimulate discussion on the growing trend towards pro-poor water services. The publication is a joint effort with Water and Sanitation for the Urban Poor (WSUP) and WaterAid.

Figure 1: Key characteristics of pro-poor utilities/providers

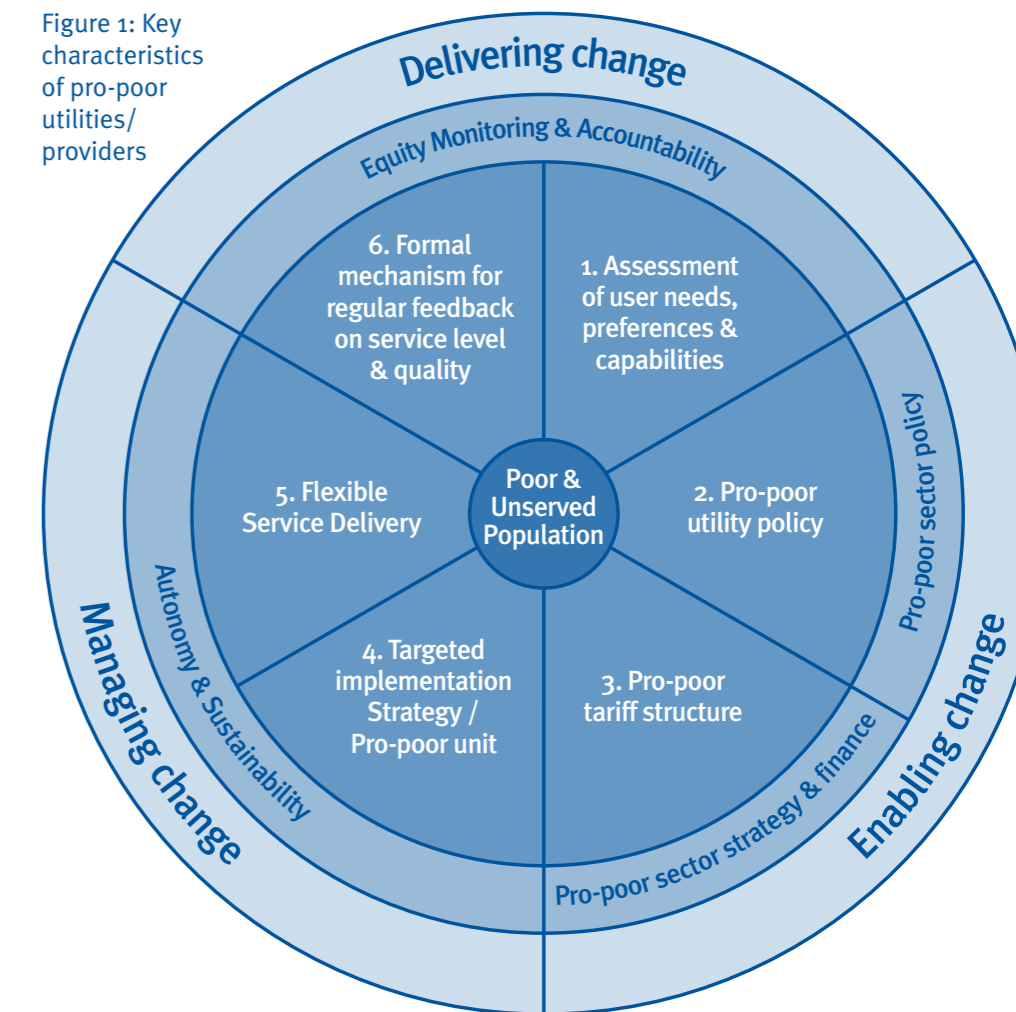


Table 1: Self-assessment matrix of African utilities' pro-poor policies

This table reviews 12 African utilities on six key features (see Figure 1) existing among pro-poor utilities, based on a self-assessment questionnaire.⁴ The mere existence of all key features does not guarantee a pro-poor service, and each feature is subject to broader contextual factors.

0 means 'no'
1 means 'almost'
2 means 'yes'

	East Africa				Southern Africa					West Africa			Total
	Kenya NWC, Nairobi	Rwanda RWASCO, Kigali	Tanzania DAWASCO, Dar es Salaam	Uganda NWSC, Kampala	Madagascar JIRAMA, Antananarivo	Malawi Lilongwe Water Board	Mozambique AdeM, Maputo	South Africa Johannesburg Water	Zambia LWSC, Lusaka	Burkina Faso ONEA	Mali EDM, Bamako	Nigeria Jigawa Water Board	
1 Does the utility recognise that the needs and capabilities of existing poor customers are distinct?	2	2	2	2	2	2	2	2	2	2	2	2	24
2 Has a baseline survey been carried out in the designated service area to identify and stratify user needs?	1	0	0	1	2	2	2	0	2	2	1	1	14
3 Is there a commitment to target the unserved poor within the designated service area?	2	2	1	2	2	2	2	2	2	2	1	2	22
4 Does the utility have a specific pro-poor strategy?	2	0	1	2	1	1	2	2	2	1	2	1	17
5 Does the strategy contain time-bound targets for extending services to unserved areas?	0	0	0	2	2	1	2	2	1	1	1	2	14
6 Does the utility have a team responsible for implementing the service extension plan to unserved areas?	2	1	1	2	2	1	2	2	2	2	0	0	17
7 Are different connection options available, e.g. household/yard/street?	2	2	2	2	2	2	2	2	1	2	1	2	22
8 Can connection fees be paid by instalments spread over a period of time?	0	2	0	1	2	0	2	2	0	0	0	0	9
9 Is the billing system flexible, considering user cashflow by giving options for shorter billing periods?	0	2	1	1	0	2	0	2	1	2	0	2	13
10 Is the tariff system equitable, treating users in different economic situations differently?	2	2	0	2	2	2	2	2	2	2	2	2	22
11 Does the tariff system subsidise connections?	0	0	1	1	1	0	0	2	1	2	0	2	10
12 Does the tariff system subsidise consumption?	1	0	1	1	2	0	2	2	1	2	2	2	16
13 Does the tariff system incentivise reselling water?	1	0	1	1	2	2	0	0	0	0	1	1	9
14 Are users or civil society organisations represented within the utility's tariff-setting structure?	1	0	1	0	1	0	0	0	1	0	0	2	6
Does the utility offer sewerage services?	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	
If yes, what % are also supplied with sewerage?	35	n/a	7	8	n/a	n/a	15	80	3	n/a	n/a	n/a	
% urban population (national) with piped water into dwelling/yard/plot (JMP 2008)	47	22	45	11	14	28	17	84	41	27	22	7	
% living on less than \$1.25 a day (UN HDR 2009)	20	77	89	52	68	74	75	26	64	57	51	75	

Figure 2: Cost of a connection as % of annual income of someone earning \$1.25 a day at Purchasing Power Parity (PPP)

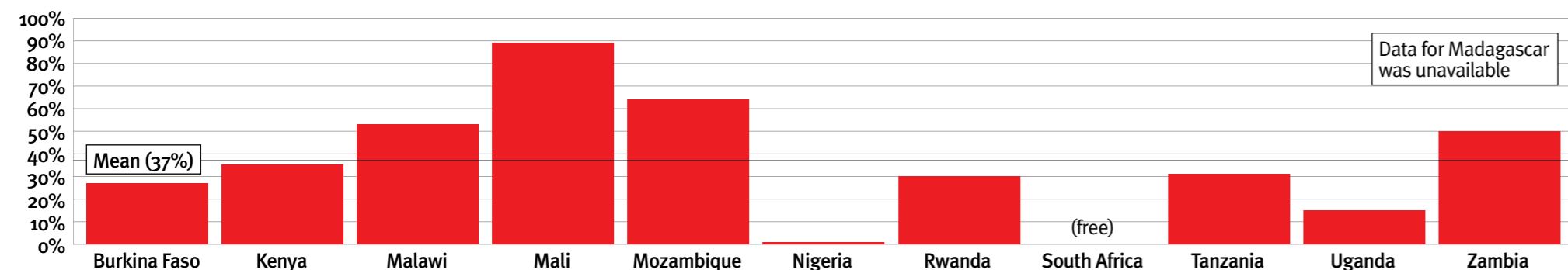


Figure 3: % more paid per litre purchased from kiosk/vendor instead of connection

